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AXIS FORCES SMASH 7 SOVIET DIVISIONS IN SANOK WAR AREA

3-Day Battle in Carpathians Ends Successfully as Most Of Red Army Annihilated

Domei

BERLIN, August 16.—What effects are produced when German reserves are brought into full play was shown by the three-day battle in the Sanok region in the Carpathians which was successfully concluded yesterday. During this fighting seven Soviet divisions were badly battered and to a large extent annihilated. The Soviets in this sector launched only a few local thrusts yesterday which were easily beaten off.

German offensives were also successful in the lower Vistula sector where German counter-attacks carried out against the Soviet bridgehead of Barnov not only narrowed the wedge but conquered several strongly defended localities despite stubborn Soviet resistance with tanks and artillery.

Although the Vistula is now at its lowest level, Soviet attempts to drive westward after crossing the river have all failed. The Soviet onslaughts toward the East Prussian frontier have again been forced to shift their focal points and are now dashing against the German frontier defenses from the east and northeast, but the newly established German defense positions fully held off the attacks.

East of Opatov the Soviets in varying strength rushed against the German positions all day yesterday without scoring any gains. Likewise on the Vistula front to the north, all Soviet thrusts were warded off after inflicting severe losses.

Soviets Suffer Losses

In the central sector, Red Army forces launched an offensive westward from the salient at Magnuszev with about three divisions and extremely strong artillery and air support, but German grenadiers solidly held their positions and dealt severe casualties.

Also west and southwest of Bialystok, the Soviets launched large-scale attacks after fierce drumfire. North of the town, the Soviets penetrated the German lines at two points but were immediately checked. Fighting is still in full swing there.

Northeast of Suvalki and Vilkovishken, the Soviets launched attacks with more than three divisions and strong tank and air forces, but aside from minor gains northwest of Vilkovishken all attacks were completely stopped.

In addition to the existing focal points in the northern front, new fighting flared up yesterday in the area of Raseinen north of Memel. German defenders there not only held their lines but also carried out powerful counter-attacks.

Farther north on the Dvina front, concentrated Soviet tank forces broke through the German line north of Birsen. Their tanks, however, were purposely allowed to pass through and then the Soviet infantry forces closely following the tanks were mowed down while at the same time mobile anti-tank groups equipped with new tank blasting weapons attacked the tanks. Forty Soviet tanks were destroyed in this sector alone.

Meanwhile, German fighter formations closely cooperating with their comrade ground units in the Vistula and Baltic battle sectors yesterday, although greatly outnumbered, shot down 45 Soviet machines with only two German losses. Five more Soviet planes were shot down by flak fire and two others were destroyed on the ground or a total destruction of 52 Soviet planes was registered within a few hours.

BULLITT IN FRENCH FORCES

Special to the Nippon Times

LISBON, August 16.—William C. Bullitt, former United States ambassador to France, has joined the French army as a commandant, a press dispatch from Algiers reveals. His rank was major in the U.S. army. He was assured that he could retain American citizenship and still join the French army.

The former ambassador was quoted as saying that his offer to serve in the U.S. army had twice been rejected on account of his age by U.S. Secretary of War Henry Stimson. Bullitt was U.S. ambassador to France from 1936 to 1941 and prior to that was ambassador to the Soviet Union from 1933 to 1936.

Reich Troops Force Soviets to Abandon Essow Near Warsaw

Domei

STOCKHOLM, August 16.—Marshal Konstantin K. Rokossovsky's troops have abandoned Essow, populated place seven miles northeast of Praga, Warsaw suburb, in the face of fierce German counter-attacks by tanks and infantry, the Soviet communique said tonight. Conceding that the Germans have seized the initiative by hurling the largest forces of the summer campaign against the Red Army before Warsaw, the Soviet communique spoke of German "attacks" rather than "counter-attack" for the first time since the start of the summer offensive, and conceded that the German forces wedged into their lines.

ENEMY INCREASES PRESSURE AT CAEN

German Detachment Movements Out of Pocket East Of Orne Follow Plan

Domei

BERLIN, August 16.—Despite extremely strong enemy pressure German detachment movements out of the pocket to the east, through the gap west of the upper reaches of the Orne, progressed yesterday according to plan.

Anglo-American pincers approached closer to two main German groups of the detachment movements at Falaise and Argentan, but these German strongholds withstood all pressure while in the meantime the enemy pocket was squeezed in considerably. At the moment this area has assumed a triangular shape between Falaise to the north Flers in the west and Argentan to the east. Should the German garrisons at Falaise and Argentan continue to hold out against the enemy attacks, the complete emptying of the pocket of German troops is certain.

It is assumed, however, that the enemy will exert further efforts to close the encirclement as soon as possible to achieve their initial objective of wiping out the encircled German forces. The next few days or perhaps hours will, therefore, expose the Germans to a severe test. In the meantime considerable German forces are or have already escaped through the gap between Falaise and Argentan to the east.

Americans Advance

In the meantime, fast-moving American forces have advanced from the Le Mans area pass Nogent le Rotrou toward Chartres and Dreau.

The center of the fighting in Normandy, however, remained in the region between Caen and Alencon. Canadian attempts yesterday to gain ground toward Falaise and Conde with the employment of immense tank forces were as a whole frustrated by gallant German defenders who resisted stubbornly for each foot of ground. Particularly fierce fighting was waged in the area of St. Pierre Sur Dives which temporarily fell into Canadian hands, but was recaptured by counter-attacking Germans.

Southeast of this area, repeated Canadian tank attacks were also beaten off with severe losses to the attackers. Likewise between Laize and Orne, the attackers gained but a few kilometers while detachment movements at the front bulge south of Vire were continued without major enemy pressure.

Following the German detachment operations, Americans east of Domfront reached La Ferte-Mace. German defenders in the Ecouche area likewise yielded to numerically far superior enemy forces pressed to the north and west.

From Brittany, meanwhile, no major fighting was reported from St. Naziare and Lorient. In the Brest area, the Anglo-American formations closed in further on the fortress zone, but German heavy guns here dealt particularly heavy blows to the attackers.

St. Malo Falls

The small town of St. Malo which had been destroyed to a large extent fell into enemy hands last night after 10 days of bitter fighting and fierce street fighting. The battle for St. Malo has, however, not ended. Turning down a third American request to surrender the fortress defenders withstood all attacks although subjected to heaviest artillery fire and massed tank attacks. The big coastal guns dealt particularly heavy blows upon the persistent attackers. The ground mines, too, took a heavy toll.

LUFTWAFFE POUNDS INVADERS' VESSELS IN ST. TROPEZ GULF

Germans Isolate Enemy's Air-Borne Troops Which Landed Behind St. Raphael

Domei

BERLIN, August 16.—Latest reports from the invasion area in Southern France disclosed that the Anglo-Americans continued attempts to widen their small beachheads last night while during the day further landings were attempted east of Hyeres, at St. Tropez, at St. Raphael and at a few points between Cannes and Nice. No thrusts to drive farther inland are noticeable.

Yesterday, German bombers and torpedo-planes went into action and effectively blasted enemy ships in the Gulf of St. Tropez. A large enemy landing boat fully laden with tanks and guns destined for St. Maxime was sunk while several other units of the enemy landing and escorting fleet were heavily damaged.

The air-borne troops dropped in the immediate vicinity of St. Raphael were isolated and other air-borne troops which landed about 15 kilometers farther inland along the railway line to Toulon were attacked from two sides and checked. Several enemy transport planes and gliders were shot down and a large portion of the enemy units which managed to land were compressed into a narrow area where they are facing annihilation.

The enemy forces have established themselves on two islands of the Hyeres group. The Anglo-Americans also continued their attempts at Cavalaire and Lavandou to permit more mobile action. At these places embittered fighting is still raging with German coastal batteries constantly tearing huge gaps in their ranks.

This new invasion enterprise, contrary to Anglo-American assertions, has not reached the extent of the invasions of the northern French coast on June 6. First landing attempts at three different points were to a large extent carried out by the infantry and only in the Gulf of St. Tropez did they manage to bring ashore heavy arms.

The first batch of air-borne troops consisted of about two battalions but yesterday more troops were landed at the three beachheads where bitter fighting is raging.

At present the enemy appears to be devoting his efforts to establish connection between the various beachheads. The first enemy wave gained footholds at some points along the 200-kilometer coast. The second wave is probably still at sea and the third and fourth perhaps are still in the embarkation ports. Although the exact strength of the invasion troops cannot be accurately gauged at present, it is assumed certain that at least one anti-Axis army had participated in the landing operations.

German military observers estimate that the anti-Axis landing on the South French coast was carried out with almost 400 ships. East of St. Raphael one cruiser and three destroyers as well as 15 "LCT" and 120 "LCM" vessels were observed. The cruiser, according to unconfirmed reports, was damaged. In St. Maxime Bay six cruisers, 12 destroyers, three large and 137 small landing vessels were counted while farther west six escort vessels and more than 30 landing craft of which eight were afire were observed near Cavalaire.

Yesterday, the enemy fleet was mostly centered southwest of Cannes and off Theoule Bight where one battleship, two cruisers and six destroyers were observed. One cruiser and one destroyer were at anchor in the harbor of Theoule. Meanwhile, 20 smaller vessels were sighted southwest of Marseilles probably belonging to a minesweeper formation.

Luftwaffe Blasts Landing

Domei

BERLIN, August 16.—Strong formations of the Luftwaffe, last night, after permitting the Anglo-American invasion fleet to approach close to the south coast of France went into action and carried out concentric attacks against enemy ships and landing operations. Exact figures of the damages inflicted have not yet been ascertained but it is presumed to be extraordinarily huge.

Meanwhile, other formations of heavy German bombers last night repeatedly blasted enemy traffic centers and supply bases in Normandy. Particularly hard hit were Olendon, Sassy and Ernee where strong enemy forces were billeted. Highly explosive and incendiary bombs were also dropped on artillery emplacements and troops southeast of Caen.

Citation Granted Five Soldiers For Daring Feat on Guadalcanal

Members of Nippon Raiding Patrol Blasted 2 Planes, 2 Refueling Cars, 1 Searchlight in Raid on Lunga Airfield in December, 1942

The distinguished exploits of Sub-Lieutenant Isao Nakazawa and four other Army men who rendered meritorious services in penetrating the enemy airfield on Guadalcanal as members of a raiding patrol at the end of 1942, blasting two enemy aircraft, two refueling cars and one searchlight, have been brought to the August knowledge of His Majesty the Emperor, it was announced by the War Ministry on Thursday.

In recognition of this daring action of the five Army men, a citation dated December 29, 1942, has already been granted by the Army Commander.

Concerning the heroic action of Sub-Lieutenant Nakazawa and four others, the following announcement was issued:

"To Sub-Lieutenant Isao Nakazawa and four others who, as members of a raiding patrol, rendered great services in penetrating the enemy airfield in the operations on Guadalcanal Island at the end of 1942, a citation has been granted by the Army Commander. This fact has been brought to the August knowledge of His Majesty the Emperor."

The citation follows:

CITATION

The Iwabuchi Unit:

Sub-Lieutenant Isao Nakazawa
Corporal Yoshiyuki Yuasa
Lance-Corporal Kaneichi Tsutsui
Lance-Corporal Masaaki Murakami
Superior Private Kiyotaka Takagi

The above-mentioned, under the command of Sub-Lieutenant Nakazawa, as members of a raiding reconnoitering party, were sent on a mission to disturb the rear of the enemy. They blasted the aircraft and ground facilities when they broke into the western airfield at Lunga in December, 1942, at a time when a delicate situation had arisen in the operations on Guadalcanal Island.

On the evening of December 6, they departed from their position in the area near Mt. Austen and forced their way through thick, thorny jungles. The Japanese soldiers skilfully evaded the enemy's lookout posts which they encountered on several occasions.

Taking advantage of a thunderstorm on the night of December 9, they daringly broke through the enemy's lengthy and deep position which was equipped with many obstacles.

Subsequently, the Japanese soldiers hid themselves in the vicinity of the airfield for three nights during which they made preparations and carried out thorough scouting operations. On the night of December 12, they succeeded in blasting two enemy planes, two large-sized refueling cars as well as one searchlight. They returned on the evening of December 15.

The aforementioned action reveals the calm and intrepid manner and the thorough strategy of the five men who, surmounting all obstacles and hardships, achieved a difficult mission. It also enhances the morale of the entire Army and simultaneously strikes terror into the heart of the foe. As a model for the members of all raiding patrols, the exploits of the five Japanese soldiers are distinguished, wherefore a citation is issued.

December 29, 1942,

The Army Commander

Continue to Attack Foe

Confident of Japan's final victory, some Japanese warriors on Guadalcanal Island are still dauntlessly launching guerilla attacks against the American troops, as was revealed recently by a Lisbon dispatch received here.

More than one and a half years have elapsed since the withdrawal of the Japanese from Guadalcanal. But, with communications completely cut off, some of the Japanese soldiers isolated in the island are courageously continuing guerilla attacks against the American troops, capturing arms, ammunition and foodstuffs. The fact that those warriors are continuing attacks on the enemy in face of countless setbacks and hardship, ever confident of ultimate victory, constitutes the true foundation of Japan's victory.

AMERICANS EXPECT DECISION IN CHINA

Only a Mass Offensive by Land Can Succeed Against Japan, Say U.S. Experts

Domei

LISBON, August 15.—All military commentators and experts in the United States are expecting a decisive battle on the China continent, an expectation which has been gaining force recently in the United States.

Furthermore, in his press interview given on August 12, Admiral Chester Nimitz, Commander-in-Chief of the United States Pacific Fleet, pointing out the importance of a blockade by sea in the war against Japan, stressed the fact that the main aim of American strategy was to cut Japan off from the abundant natural resources of the Southern Regions.

In this connection the United States News, an American weekly, recently published the comments of four military experts and authorities in China, according to a New York report to the Central News Agency of Chungking.

To the question: Is it possible to defeat Japan without the anti-Axis forces opening a large-scale land offensive against the Japanese Forces in China?—all four military authorities agreed that a large-scale land offensive was the only means of defeating Japan.

Ernest Brice, Chairman of the American Council of the Pacific Institute, however, asserted that in order to supply sufficient war requirements, it would be necessary to establish a large bridgehead on the Chinese coast. Thus, he fully supported the Nimitz strategy.

Vice-Admiral Blakely, retired, pointed out the fact that though the anti-Axis forces may be able to successfully operate against the islands held by Japan, Japan will endeavor to hold the occupied areas in China and Manchoukuo at all costs.

Major-General F. Worth, retired, stated that only a large-scale land operation can prevent the advance of Japan, while Brigadier-General Henry Reily, a Division Commander in World War I, by declaring that unless the land forces of Japan were thoroughly defeated, Japan could not be beaten, urged decisive action in China.

To these views of such military authorities, the United States News added that in order to supplement the transportation by the Burma Road, ports must be opened on the Chinese coast to facilitate the arrival of large reinforcements by sea.

S. CHINA POPULACE STARVING TO DEATH

Millions in Chungking-Held Areas in Grip of Severe Famine, American Writes

Domei

LISBON, August 16.—Several million Chinese in the Chungking controlled areas in South China are facing stark starvation, writes George Adams in the American weekly magazine Colliers. Adams, who has recently returned from a tour of Chungking-controlled areas in South China describes with vivid reality the extent to which famine has gripped the region. His story follows:

"I saw saw several millions of Chinese in Chungking-controlled South China dying from starvation. Some are like walking skeletons, while others are bloated gruesomely due also to starvation. At one orphanage, I visited, about 20 children were dying daily. Some of the streets are littered with corpses. The number of dying outnumbered the corpses cleared from the streets by the authorities, so that there were always dead bodies lying on the streets.

"I also saw parents unable to feed their children sell them off as slaves. On top of the wretched starvation, epidemics are rampant, especially cholera.

"In the circumstances the financial and social structures in these areas are on the verge of collapse. In many of the villages in Kwangtung Province, 80 per cent of the inhabitants are said to have died. Probably the number of Chinese people suffering from starvation and diseases in South China will run up to the enormous figure of 37,000,000 or maybe even 100,000,000.

"At one place I came across a group of half-naked children, with stomachs belching out fearfully, squabbling over rotten vegetables.

"The population in some of the districts have been reduced to one-fifth the former number due to deaths from starvation and departure for other places by the inhabitants. Although conditions are appalling, the work of relief is beset with numerous difficulties. For one thing transportation in these area is dependent on water routes or on cartage on the backs of coolies. Then again, although there is some food left, the exorbitant prices are beyond the reach of the general populace."

U.S. BANS REMOVAL OF ARGENTINE GOLD IN PRESSURE MOVE

Treasury Department Freezes Yellow Metal Credits—British Stand Not Known Yet

Domei

LISBON, August 16.—The United States Treasury's Foreign Funds Control Division today halted the withdrawal of Argentine gold from the United States, according to a Washington dispatch.

While the Treasury officials declined to make an official comment, it was learned today that the Division recently refused to permit a shipment of about $2,000,000 from New Orleans and that no further shipments would be allowed pending some change in the diplomatic situation.

It was stated that Argentina had been withdrawing gold from the United States for several months, drawing from their big credit surplus created in the United States due to vast amounts of exports to that country. Withdrawals have reached a total of somewhere between $20,000,000 and $30,000,000.

Anglo-U.S. Discord Foreseen

Domei

LISBON, August 16.—The freezing by the United States Government today of Argentine gold in America will result in a serious discord between Washington and London unless the latter follows the former in a joint oppression move against Argentina, it is predicted here.

The latest measure taken by the U.S. Government against Argentina is somewhat different in character from the freezing of the assets of Japan, Germany and Italy in that the object of freezing in this case is limited to gold credit. Nothing is known as yet as to what measure will be taken toward Argentine assets in the United States other than gold.

An all-out economic sanction has not been effected as yet but, nevertheless, the effects of the American action are regarded as great in view of Argentina's big credit surplus created in America due to the large amounts of exports to the latter since the start of the war.

It has been generally presupposed that since the United States virtually severed diplomatic relations with Argentina by refusing to grant recognition to the Farrell Government and recalling the U.S. Ambassador to Buenos Aires, Norman Armour, Washington would take some oppressive economic action against the latter country. In fact, the delay in the application of some form of economic sanction has been regarded as strange.

It is generally predicted here that the freezing of Argentine gold will further strain American-Argentine relations. Since the United States Government has made it a rule to consult and take joint action with Britain and other Latin American countries in its oppression moves against Argentina, it is considered certain that Washington had been in consultation with these countries before it actually effected the latest measure. However, no report is at hand yet that any one of these countries has effected the freezing of Argentine funds in the country.

Special attention is directed to the attitude Britain will take in this connection, for it is quite doubtful if she will follow the United States in effecting an economic sanction. It may be recalled in this connection that London has always been lukewarm in carrying out the oppression campaign against Argentina due to the greater economic dependence she has on Argentina than America does for foodstuff imports and that she followed the latter only reluctantly in effecting diplomatic measures which have no direct effect on her wartime economy.

It is interesting to note that Lord Halifax, British Ambassador to Washington, in a press interview held recently upon his return to the American capital from London, laid special emphasis on the closeness of Anglo-Argentine economic relations, thus implicitly indicating the difficulty of severing Britain's economic relations with the latter country.

Negro Soldiers Stone Italian War Prisoners, Kill One at Seattle

Domei

LISBON, August 16.—The Seattle army port of embarkation command announced today that Negro soldiers had stoned an Italian service unit made up of former Italian prisoners of war at Fort Lawton and that one Italian was later found hanged while 24 others were injured, according to a Seattle dispatch. The army said that an investigation was underway and that disciplinary action would be taken.

FOE PLANES ROUTED AT CHICHIJIMA ISLE

9 Enemy Aircraft Blasted at Kau Bay, Rabaul; Surabaya Raiders Repulsed

Special to the Nippon Times

CENTRAL PACIFIC BASE, August 17.—A formation of 18 four-engined anti-Axis bombers attempted to attack Chichijima Island in the Ogasawara Group yesterday morning. Immediately launching a counter-attack, the Japanese Forces on the spot repulsed all the invaders.

Five Raiders Blasted

Special to the Nippon Times

SOUTHWEST PACIFIC BASE, August 17.—Regarding the raid on Kau Bay, Halmahera Island, made on Tuesday by 40 four-engined enemy planes, it has now been ascertained that the Japanese Forces there shot down or damaged five anti-Axis aircraft.

On the next day another group of about 40 enemy planes consisting of fighters and bombers again attacked the same place but were forced to flee in face of our vigorous counter-attack.

Another Four Hit

Special to the Nippon Times

RABAUL, August 17.—Counter-attacking a formation of 70 enemy bombers and fighters that attacked our positions here on Tuesday afternoon, Japanese Forces on the spot heavily damaged four planes and succeeded in beating off all the others.

Surabaya Raiders Repulsed

Special to the Nippon Times

SOUTH PACIFIC BASE, August 17.—At daybreak yesterday four enemy planes attacked Surabaya on Java Island. The Japanese Forces there counter-attacked and repulsed all the raiders.

MOSCOW'S CHOICE IRES U.S.

Special to the Nippon Times

LISBON, August 16.—Considerable disappointment has been caused in Washington due to Moscow's choice of Andrei J. Gromyko, Soviet Ambassador to the United States, to head the Soviet delegation to the Four-Power conference.

Washington circles who expected either Maxim Litvinov, Soviet Vice-Commissar or Ivan Maisky, Foreign Vice-Commissar, believe that Premier Joseph Stalin does not think much will result from the conference.

Neutral quarters infer that this much-publicized Four-Power conference may turn out to be purely an informative affair and think that the choice of Gromyko is a polite slap in the face of the sponsors or at best a mere courtesy gesture on the part of Moscow to the Washington invitation.

Churchill Sees Landing

Domei

LISBON, August 16.—British Prime Minister Winston Churchill together with Robert P. Patterson, U.S. Undersecretary of War, and Lieutenant-General Brehon B. Somervell, Commander of the American army services of supply, watched the anti-Axis landing operations yesterday from aboard a destroyer, according to a Rome dispatch. Churchill also visited the island of Corsica.

OUR ARMY IN CHINA ISSUES STATEMENT EXHORTING CHINESE

Large-Scale Operations Said Aimed to Annihilate Anglo-American Enemies

Domei

NANKING, August 17.—The Headquarters of the Imperial Japanese Expeditionary Forces in China, in a statement issued at 3 p.m. today, declared that the purpose of the latest large-scale offensive operations which have been and are being carried out by the Expeditionary Forces in North, Central and South China is to annihilate the Anglo-American enemies and other rebels against the cause of East Asia and thereby to help realize the restoration of independence to China and to ensure the well-being of the 400,000,000 people of China in line with ethical principles.

The statement exhorted the Chinese people to mobilize their total energy for the realization of China's unity and freedom with a full understanding of the serious present situation on which hinges the destiny of their country and of East Asia.

The communique reads as follows:

"Although, with the outbreak of the War of Greater East Asia, America and Britain have lost all of their strongholds for their aggression of East Asia and have been driven off from this area, they have made a puppet of the Chungking regime with persistent, malicious machinations in the name of assisting Chungking's resistance campaign. The Anglo-American enemies have again spread their tentacles over the East Asiatic Continent with the unscrupulous ambition to invade and dominate this region.

To Uphold Justice

"With a view to crushing all aggressive influences existing in the Continent in accordance with the Alliance Treaty between Japan and China and thereby to liberate China and its people from alien bondage, the Japanese Expeditionary Forces launched a large-scale offensive. The Expeditionary Forces have always made it the cardinal principle of military direction to uphold justice. At the beginning of the recent operations, the High Command of the Expeditionary Forces ordered the entire army to maintain strict discipline and to practise charity and morality and suggested that the Chinese people enjoy their lives in peace. The proclamation was in line with the principle of rigid discipline and generosity.

"The Imperial Army has always been seriously concerned to avoid sufferings of the masses, devastation of farmlands and the destruction of cultural assets that might be caused by the spread of hostilities and has made every effort to limit the ravages of war to the smallest extent possible and also exerted its very best to help rehabilitate the devastations. The local inhabitants, with a full understanding of what the Japanese Army meant, willingly cooperated with the latter and their efforts have produced remarkable results as proved in various sectors.

"The outrageous Americans and British, however, have obstructed the construction by burning up towns and residences or by destroying transport facilities, causing indescribable misery to the masses. They even went to the length of massacring innocent masses with a view to retarding the post-war rehabilitation and reconstruction.

"America and Britain have been unscrupulous enough to turn Chinese territory into their battlefield in the name of collaboration. The devastation of the land meant nothing to the Anglo-Americans because it is foreign territory, and the well-being of the Chinese masses was no concern to them. This cowardice, baseness, inhumanity and brutality cannot be tolerated in the name of God and man; this is the common enemy of Japan and China which are bound by Oriental ethics.

"The Imperial Government of Japan, in a statement issued some time ago, clarified that the purpose of Japanese military operations was to frustrate the Anglo-American scheme of aggression and domination, that the Chinese masses were our friends, and that even Chungking forces would not be considered our enemies so long as they refuse to cooperate with America and Britain. This declaration clearly pointed to Japan's real aspiration for promoting understanding and coopera-

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Press Comments

Thursday, August 17

LANDING IN S. FRANCE

YOMIURI-HOCHI — The Anglo-American landing in Southern France deserves attention because it brings about a new stage in the development of the war situation on the Western Front. The enemy's landing operations against Europe were first carried out in Southern Italy and then in Northern France. Owing to the firm German defenses in Southern France, however, a connection between those two fronts has been prevented. The immediate aim of the current landing of the Anglo-American forces obviously is the establishment of such a juncture. As to the scale of the landing operations in Southern France the details are as yet lacking, but it is a fact that the enemy forces have been able to get a hold on one corner of Southern France, and they have concentrated a considerable military force in Corsica, which is their bases of operations. Therefore, unless the bridgehead is smashed before being enlarged, the situation will allow of no optimism.

The main reason for the slow advance of the Anglo-American forces in Italy is the fact that they are fighting on an isolated front, but if they succeed in establishing contact with their troops in France, their strategical conditions would be considerably improved.

The geographical conditions of Northern Italy are favorable to the Axis forces, and to break through the Axis defense line in Northern Italy and penetrate into German territory would be no easy task for the enemy troops. But if they could secure a superior position in Northern Italy, this would at once have an influence on the Balkans.

So long as the Soviet Union and the Anglo-American Powers maintain close collaboration in the war against Germany, the Western Front cannot be thought of as something separate from the Eastern Front. In case the Anglo-Americans could efficiently develop their landing operations in Southern France, this would indirectly be due to the development on the Eastern Front. On the Western Front, the American Third Army is pressing against the front of Paris, and as far as France is concerned, this development cannot be slighted either; but yet, the enemy is still very far from the German frontier. On the other hand, the Red Army is pressing closely against the borders of Eastern Prussia. Under the viewpoint that Eastern Prussia is playing an extremely important role in Germany's foodstuffs setup, this development on the Eastern Front cannot be ignored.

As Germany is now literally pouring the total strength of her people into the war in preparation for a decisive battle we firmly believe that she will succeed in turning the war in her favor.

TURKEY'S TRAGEDY

MAINICHI—The will of Kemal Ataturk, founder of present-day Turkey, was to have a good neighbor policy and independent diplomacy enforced in parallel. In other words, he made it the duty of the Turkish nation to stand completely aloof from any international conflict. However, the present-day leaders of Turkey have acted against the will of Ataturk.

Turkey has not entered the war, but the fact alone that she took steps to sever diplomatic relations with Germany has thrust upon her shoulders considerable responsibility. The Turkish authorities who severed diplomatic relations with Germany, a country consistently faithful in the maintenance of friendly relations with Turkey, have committed three irrevocable blunders.

First, the fact that Turkey has trampled underfoot the goodwill of Germany cannot be considered as being advantageous to Turkey. Second, how will Turkey in the future drive out of her country the influences of the three Powers, Britain, America and the Soviet Union? If in the future Turkey should be made to enter the war, much less capacitated would she be to expel from her domain the influences of those three Powers. And it could be readily imagined that Turkey would be trampled underfoot by the three Powers' troops just as Iran was once done. Third, as a result of her severance of diplomatic relations with Germany, Turkey has forfeited her right to the control of the Dardanelles, a right entirely irretrievable. In this connection, special service officers of the Soviet Navy have already started for Turkey. Since the Anglo-Americans admit the voice of the mighty Soviet Union in international affairs, it can be clearly seen that matters, great or small, relative to the Dardanelles will be decided by the will of the Soviet Union.

After the first World War, through Ataturk's heroic actions, racially a "Turkey for the Turks" came into being. But since then Turkey has lost much of her qualification as a Great Power, both with regard to her area and her population. The same is true with regard to her natural resources. Especially, after having been robbed of the oil-producing Mosul area by Britain, she was pushed into a miserable position. However, if nevertheless she has been able to carry weight internationally, this has been because of her having a grip on the Dardanelles and the Bosporus straits.

According to reports, America and Britain have recognized the Soviet Union's right to control those straits as a condition in exchange for the Soviet Union's adjustment of the relations between the exiled Polish regime in London and the Polish Committee for National Liberation organized under Soviet influence. Turkey, unaware that such a deal was being transacted behind her back, was under the illusion that by relying on America and Britain she could be freed from the pressure of the Soviet Union, but she has made a big mistake in depending on the Anglo-Americans. The Soviet Union is about to deal with the Polish question not, however, in accordance with the conveniences of America and Britain but at her own. But America and Britain actually do not suffer any loss. Those who suffer are Poland and Turkey.

Fuehrer's Headquarters

August 16

On the southern French coast, several enemy attempts at landing between Toulon and Cannes were warded off. The enemy succeeded, however, in gaining a foothold at some places on the coast and violent fighting is in progress here. The enemy air-borne troops, dropped in the rear of our defense zones, are being attacked by our reserves. The enemy lost 23 machines in aerial combats as well as by flak over the western and southern French coast.

Bitter fighting is raging in the Normandy area with the focal point in the sector north and northeast of Falaise. The enemy time and again attempts with strong forces to break through in the direction of Falaise on a wide front in order to join hands with the American forces attacking from the area of Carrouges in a northerly direction. After many hours of heavy fighting, the enemy, suffering heavy losses, succeeded in entering our positions and in gaining ground to the south and east. The enemy forces, pushing eastward from the area of Alencon, have reached the Chartres-Dreux sector.

In Brittany, the town of Dinard was lost after heroic fighting. The garrison of St. Malo which, after repulsing strong enemy attacks, has withdrawn into the citadel, is still withstanding enemy attacks and three appeals by the enemy to surrender remained unanswered.

In the French hinterlands, 164 terrorists were killed.

The heavy V-1 fire against Greater London is still going on.

No operations of importance are reported from Italy.

In the Carpathian forefield, formations of the army and Waffen S.S. in three days of stubborn fighting against seven enemy rifle divisions west of Sanok succeeded in improving the front. The Soviets suffered heavy casualties and lost 51 tanks, 58 guns and numerous other arms. A large number of Soviet prisoners were seized.

In the big Vistula bend west of Baranov our panzer and panzer grenadier formations captured several localities despite stiff enemy resistance and closed the front gap. Southeast of Varka as well as between the Vistula and the upper Narev, numerous Soviet attacks were foiled.

On both sides of the Memel, the Soviets attacked in the area of Vilkovishken and Raseinen with massed forces, strongly supported from the air and at Vilkovishken they made insignificant progress while all other attacks were frustrated with heavy losses to the enemy.

On the Latvian front north of Birsen, renewed enemy attacks, carried out with strong forces were smashed and the enemy lost 40 tanks. In the penetration area south of Lake Pleskau, fluctuating fighting continues with unabated vigor. Strong battleplane formations joined in the ground fighting with particular success. The Soviets lost 32 machines over the Eastern Front yesterday.

American bombers attacked western and northwestern Germany and our air defense forces brought down 29 machines including 27 four-engined bombers. Enemy planes bombed Berlin and the Rhenish-Westphalian district last night and three enemy machines were shot down.

Our Army in China Issues Statement Exhorting Chinese

(Continued From Page 1)

tion to oppose the common enemies of East Asia—America and Britain.

Army's Aim Stressed

"In faithful pursuance of this policy, the Japanese Army is expecting to crush America and Britain and the rebels against East Asia's cause and thereby to help the Chinese populace to enjoy their lives in complete freedom. It is for no other purpose than to expedite the rehabilitation of the ravages caused by the war, to save the masses from sufferings and to facilitate the restoration of social order with due respect for the people's wishes and customs and manners that the Army is assuming responsibility, for the time being, for maintaining peace and order in the operational areas and in the rear.

"We ask all the enlightened people and patriotic youths of China to keep themselves alive to the serious present situation which will determine the future of China and East Asia, to take prudent and wise actions with deep insight into the future destiny of their country and to exert utmost efforts to realize China's national unity and independence by expediting the people's cooperation and collaboration."

EAST FRONT FIGHT ENTERS NEW STAGE

Arrival of Fresh Units Bolsters German Operations, Increases Soviet Setbacks

Domei

BERLIN, August 17.—With the arrival of fresh forces from Germany the situation on the Eastern Front has assumed a different character, high-lighted by more positive German defensive operations and the increasing setbacks being suffered by the Red Army, said Lieutenant-General Kurt Dittmar, Reich radio commentator, in a broadcast today on the current war situation.

Lieutenant-General Dittmar declared:

"Today we may frankly admit that in the month of July there have been days of serious anxiety. The German troops, stationed in the central sector of the Eastern Front, had to bear the brunt of the Soviet onslaughts. The enemy tanks and mechanized units pushed westward on the roads and highways. The way to East Prussia, to the Government-General, to the lower and middle Vistula, in the south to the sources of the Vistula or across the Beskides Pass to the Hungarian plain seemed to be open to the Soviets. Our German eastern area which is an essential factor in our national resistance was seriously menaced.

Have Stood Their Test

This of serious situation was caused by one single reason: The enemy's numerical superiority. Very often the enemy troops outnumbered the German forces with the ratio being one to 20. The situation confronting our troops was aggravated by the fact that the Soviet forces consisted mainly of tank and mechanized units, while on the German front, only troops of minor fighting efficiency were employed at many places. They have defended themselves bravely and have stood their test.

"Meanwhile, strong and efficient formations have been set free at other places and have been brought up to the focal points. The fighting, waged by these fresh formations, was chiefly of a delaying character since even they were not sufficient in number to ward off the enemy's onrush.

The defensive operations, adopted now are far more active in character, a fact which resulted in the slowing down of the enemy's advance. Though the natural defense lines of the San, the Vistula and the Niemen could not be held, the fighting was made difficult for the enemy. The war situation on the Eastern Front assumed an essentially different character when the arrival of fresh forces from Germany began to show effects to an ever growing extent as proved by the major setbacks suffered by the Soviets. The annihilation of the Soviet rifle divisions on the Beskides Pass Road, the heavy setback, suffered by the Third Soviet Tank Corps northeast of Warsaw, and the recapturing of the town of Vilkovizhken in front of the East Prussian border, can be considered as indications of the intensified German defensive strength.

Within Our Control

"All that is possible today could have been rendered possible months ago. The German people are filled with fury against those who either by their negligence or by sabotage, prevented the materialization of total war measures. We did not stress first and constantly the increasing disproportion of strength on our and the Soviet side but the situation today shows us that only certain prerequisites—quite within our control—are necessary to reach at least in the beginning, a temporary compensation. This after all, is something because it alludes to impending possibilities.

"We want to stress in this connection the fortification on the eastern borders which has been considerably bolstered within an extremely short time as a result of the cooperation of the people. Thus, a valuable basis for all further steps has been established. It already stood its test at Augustova and Vilkovizhken and had considerable influence on the course of operations there. Similar measures of large-scale entrenchments have been started at all those points where Germany or its forefield is being menaced.

"Thus cooperative work has been achieved, not alone reflecting the perseverence of the tough eastern Germans and East Prussians but of the entire Europeans. All those non-German members of the population who, in leaving the zones formerly occupied by our forces, are withdrawing in a westerly direction together with our troops, are doing their share in the work on the eastern border. We should not forget that nowadays there is a gap within the European nations which is separating the Communist elements from those who are proud of their nationality and who as farmers or conscientious workmen are determined to fight against the Communist menace.

Are Closely Linked

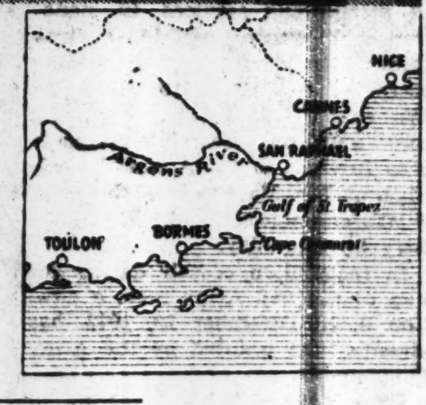
"The outlook on the situation in the east would be incomplete and therefore unsatisfactory without full comprehension of the latest events in the west. The battle in the east, the same as the battle on the invasion front, shall as planned by our enemies—be closely linked up with one another. They are supposed according to all appearances—to divert the attention of the German command and to split up the German reserves, thus gradually exhausting our defensive strength.

"It can be said that so far the enemies have done their utmost to materialize this plan to the greatest possible extent. The recent development on the Normandy Front is doubtless not favorable for us. The enemy's break-through at Avranches has extended the front—which for almost eight weeks had been stable and localized—as far as to the western tip of Brittany. The enemy, however, has as yet not derived any operative advantage from that since the harbors of Brittany are still in German hands.

"By far a more serious threat to us is the present Anglo-American attempt to advance from the Le Mans area via Alencon in order to operate a pincer from the south against the German front between the Orne and the Vire, directed toward the north. A very clever German maneuver will be necessary to meet this danger. Let us not forget, however, that the changes on the fronts, taking place at the present, involve many prospects of effective counter-blows which will favorably influence our battle to gain time in consideration of the development of our new arms."

Region of Enemy Landings in S. France Known World Over as Holiday Resort

The peaceful scene shown in the picture above is that of the Promenade des Anglais, on the sea front at Nice, the chief city of the French Riviera, in which region the anti-Axis forces have effected their latest landing in France, turning the calm southern coastal area of the country into a bloody theater of war.



The southern coast of France, where the anti-Axis forces have launched their latest invasion operations, has been known as the vacationland of the world. Toulon, Bormes, St. Raphael, Cannes and Nice, whose names now appear in terse war communiques and war news dispatches are situated in a region remembered by all world travelers as one of the most delightful in the world.

The 100-kilometer stretch of coast between Toulon and Nice faces the blue Mediterranean to the south. Behind the area lie the Alps. The climate is mild and the scenery unsurpassed; the area is considered by many a paradise on earth. Cannes, is world-famous as a winter resort. It enjoys a southern aspect on the Golfe de la Napoule, with the Esterels to the west. It is one of the most fashionable resorts of the Riviera. A beautiful promenade runs along the beach. The country around is very beatiful and highly fertile; orange and lemon trees are cultivated, while olives, almonds, figs, peaches grapes and other fruits are grown in abundance and form, together with fish, the chief exports of the town.

Nice is situated on the Riviera at the mouth of the Paillon. It is protected toward the north by hills which rise stage by stage to the main ridge of the Alps. The population fluctuates with the seasons. Nice is celebrated for the mildness of its climate. The mean temperature is 60 degrees. For 2,000 years, the climate of Nice has been considered favorable in chest complaints. The city is famous for its carnival festivities especially the "battle of flowers."

Enjoys Mild Climate

All this district, being open to the south and sheltered from the north and east winds, enjoys a remarkably mild climate; the vegetation in many places partakes of a subtropical character for example the pomegranate, agave, prickly pear, date, palm and banana grow here. Large numbers of flowers, especially roses, violets, hyacinths and so forth are grown near Nice, Mentone, Bordighera and other towns. These were formerly sent to London and Paris markets. The uncommon mildness of the climate, conjoined with the natural beauty of the coastal scenery—the steep sea-crags, the ruined towers and the range of the Maritime Alps—attracts thousands of invalids and convalescents to spend the winter there. These resorts are also frequented for sea-bathing in the summer.

Toulon, is known as a seaport and first-class fortress and naval station of France. The bay, which opens to the east, has two divisions, the Grande Rade and the Petite Rade; it is sheltered on the north and west by high hills, closed on the south by the peninsula of capes Sicie and Cepet, and protected on the east by a huge breakwater. To the north of Toulon rise the defensive works of Mt. Faron and Ft. Rouge to the east the forts of Artigues and St. Catherine, to the northeast the formidable fort of Coudon, and to the southeast that of Colle Noire, respectively dominating the highway into Italy and the valley of Hyeres with the Bay of Carqueirane. The chief buildings are the former cathedral of St. Marie Majeure, the church of St. Louis, the naval and military hospital, a naval school of medicine, a school of hydrography and large barracks. The principal industries, apart from the arsenal, are shipbuilding, fishing and wine-growing.

Marseilles, which has been subjected to severe air attacks accompanying the invasion, is the chief seaport of France. The city is built on undulating ground and the southwestern and most aristocratic quarter covers the slopes of the ridge crowned by a fort and the church Notre-Dame de la Garde and projecting westward into the bay to form a protection for the harbor. The city was the western emporium for the Levant trade. Its exports included wines, spirits, liquors, tiles, bricks, metals, hides, ochre, oil cakes, soap, refined sugar, olive, dried vegetable, and glycerine.

GERMANY'S MORALE UNSHAKEN BY RAIDS

Foe's Aim to Paralyze Reich Capital Will Never Be Attained, Says Sven Hedin

"The Reich Capital, the heart and the brains of the great and mighty Reich, has been mutilated by thousands of high-explosive and incendiary bombs," writes Sven Hedin, the well-known Swedish explorer, in the Berliner Lokal Anzeiger according to a special Stockholm dispatch to the Nippon Times yesterday. Continuing, he said:

"Churches in which I attended divine service; university institutes where I studied; museums through which I strolled, and hotels in which I lived, no longer exist, and many of the homes where I was entertained by old friends have been wiped off the face of the earth.

"However, the goal that the enemy air leaders set themselves, namely, to extirpate Berlin and to paralyze the Capital of the Reich, will never be attained. It may be possible to turn monumental edifices and residential quarters into heaps of debris, but one cannot smother the will to live of the Berliners.

"The barbarians from Britain and America will never succeed in opening Europe to the wild hordes of Bolshevism by smashing German culture and 'softening' the German people. The iron German spirit of old will frustrate this darkest and most nefarious attempt on highest civilization and the nucleus of world history.

"Heavy and cruel fighting is still ahead; many German cities will still be reduced to cinders and debris, and cultural monuments so valuable to all mankind will be destroyed. However all these cities, among them in the first place Berlin, will be reborn in a new shape, and in spite of the outward changes they will always preserve their old character and the loveliness of the landscape surrounding them."

Meanwhile, in a letter to a Swedish paper on the attitude of certain Swedish circles toward Finland, Sven Hedin declared: "Those Swedes who can visualize for themselves Sweden's position in case Finland should be vanquished bless the German troops and the weapons that are now being dispatched to the Finnish front." Continuing, he said:

"It is to the eternal disgrace of Sweden's name that the majority of Swedish papers like greedy hyenas pounce upon Finland's war-political actions at a moment when day and night the youths of Finland are being killed in action and are giving their blood just as much for Sweden's future and life as for that of Finland.

"The degenerated press which seems to vie for the honor of even surpassing their mental associates in cruelty and harshness toward Finland would deserve our gratitude if they had the decency at least to keep silent. Thereby, these heroes of the press admittedly would not help Finland, but they would not harm Finland's cause either. At a time of utmost distress the unanimous sympathy of a people is a moral support and an encouragement for those who sacrifice their blood and lives for their country."

ITALIAN WAR PRISONERS LOYAL TO FATHERLAND

Military Chaplain Freed After 2 Years in British Camp Brings Tidings to Kin

Domei

VENICE, August 16.—Italian prisoners of war, numbering several hundred thousand, are loyal to their fatherland. Their morale is extremely good and in the concentration camps in Africa, America and Asia they are holding up the banner of Fascism. This is the impression of Father Ginepro, who spent two years behind barbed wire and who has now returned to Italy.

Father Ginepro was a military chaplain and was captured by the British. He was wounded in the Balkans and saw many war prisoners in the camps in India and Egypt. In the meantime, he had been exchanged and he brought 4,000 wives, mothers and fiancees news directly from their relatives in the camps. He carried thousands of photographs, individual and group pictures, thick volumes with signatures and greetings and many personal souvenirs.

During his trip through northern Italy, Father Ginepro communicated with 6,000 Italian families. After his arrival here, thousands came to see him every day.

RESISTANCE OF GERMANS VERY STRONG, SAYS HART

All Attempts by Anti-Axis to Make Rapid Break-Through At Invasion Front Fails

Domei

GENEVA, August 16.—Captain Liddell Hart, military critic of the Daily Mail, in commenting on the battle on the invasion front comes to the conclusion that the resistance offered by the German troops is still remarkably tough and that the hopes which had been cherished in consequence of the rapid break-through a fortnight ago has been completely frustrated.

"The Germans not only had held their own along the Caen front line but had also offered stubborn resistance near their former old western flank," he said. "On the Eastern Front," Hart continues, "little has changed in the military situation in the course of the past fortnight. The Soviet advance during the last week was due not to a collapse of the Germans but rather to the orderly retreat of the Germans on positions situated farther to the west. The Soviets suffered big defeats in the fighting sector northwest of Warsaw and south of Riga.

"A veritable test, however, can be expected in the coming weeks if the Soviets attack the defense lines chosen by the Germans for their main resistance."

British Fliers Bomb Canadian Positions In Area South of Caen

Domei

BERLIN, August 16.—After four-engined American bombers last Tuesday had dropped their bombs on Canadian positions south of Caen, British aircraft dropped a considerable number of bombs "supposed to support the Canadian advance toward Falaise" behind the Canadian lines. The heavy bombs rained for about one hour on the Canadian positions where guns, tanks and vehicles were destroyed, the British News Service reports.

REICH FORCES DOWN 29 ENEMY RAIDERS

Destroyed in Combats East of Zuider Zee

Domei

BERLIN, August 16.—Supplemented figures disclosed 29 enemy machines including 27 four-engined bombers were shot down by the German air defense units in furious aerial combats which developed east of the Zuider Zee and Rhine-Main district during noon hours yesterday.

Majority of the planes brought down were four-engined bombers despite their strong fighter escort. It is reckoned that at least 300 enemy airmen were lost during this attack.

Minor Mosquito formations also penetrated over Berlin last night while others appeared over the Rhenish-Westphalian industrial district and three of the enemy planes were downed.

Meanwhile, minor formations of fighter-escorted American bombers penetrated central German territory from the west this morning and during aerial engagement lost several planes according to reports so far.

A little later, another formation flew in from the south across the Alps and attacked south German territory. They too encountered stiff fighter opposition.

432 LIBERTY SHIPS PROVE DEFECTIVE UPON INQUIRY

Two Break Apart in Builders' Yards—Other Types Suffer From Hull Fractures

Special to the Nippon Times

LISBON, August 16.—A special American board of inquiry which investigated the defects in welded merchant ships disclosed that 432 vessels out of 2993 suffered breaks of varying degrees, according to an article entitled "Inquiry Discloses 432 Welded Ships Defective," appearing in a recent issue of the Wall Street Journal.

The board was convened by the late Frank Knox after repeated reports of Liberty ships breaking apart. Altogether out of the ships examined, 577 showed cracks of a minor nature.

Contrary to popular belief, fractures of the hull are not confined to Liberty ships but are shared by other types of vessels. Cracks in about 95 of the ships were serious and 20 showed breaks right down the length of the deck and five had broken completely in two. Two of the last mentioned breaks occurred while the vessels were still in the builders' yards.

GERMANS DESTROY 1,515 SOVIET TANKS

1,217 Aircraft Also Smashed During 6 Weeks in Central And Northern Sectors

Domei

BERLIN, August 16.—Total results of the Luftwaffe actions against Soviet assault formations in the Vistula and Baltic areas released today disclosed in the Vistula area alone from July 1 to August 15 the destruction of 669 Soviet tanks and 230 disabled, while 224 more were put out of action by German flak formations in the same area or a total of 1,162 within a period of one and a half months.

During the same period, more than 800 Soviet guns of various types were either destroyed or heavily damaged and altogether 1,217 Soviet machines were shot down between July 1 and August 15. Of this figure 890 were brought down by German fighters.

In the Baltic area, German air and flak units disabled 383 Soviet tanks during the same two week period. Thus, within six weeks, a total of 1,515 Soviet tanks were destroyed in the central and northern sectors.

Hungarian Results Bared

Domei

BUDAPEST, August 16.—In connection with the heavy losses suffered by the Soviets during last week's fighting in the forefield of the Carpathian passes, it was officially anounced by authoritative sources today that 2,000 dead Soviets were counted in the area vacated by them.

In addition several hundred prisoners were taken and 210 weapons, 29 shell-throwers, eight heavy guns and considerable war material were captured by the Hungarian troops. A number of Soviet planes were also shot down during this fighting.

Patch Directs Invasion

Domei

LISBON, August 16.—Major-General Alexander M. Patch commands the ground forces in southern France and Major-General De Lattre de Tassigny is commanding the rebel French forces in the same area, it was revealed in a Rome dispatch. Major-General Patch, 54 years old, fought on Guadalcanal and replaced Lieutenant-General George S. Patton as Commander of the U.S. 7th Army last spring.

Morgenthau Fears V-1

Domei

AMSTERDAM, August 16.—The flying bomb may be only the forerunner of "far more terrible instruments of destruction which will be hurled hundreds and even thousands of miles," said Henry Morgenthau, U. S. Secretary of the Treasury, in a broadcast today from London to the United States, according to the British news service.

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KOISO EMPHASIZES RULE-AID BODY AIM

Prime Minister Stresses Need For Cultivation of Faith for Sure Victory

Prime Minister General Kuniaki Koiso, in the capacity of President of the Imperial Rule Assistance Association, on Wednesday afternoon attended the Association's headquarters at Hibiya for the first time since his assumption of the premiership and addressed all the staff members of the Association, including Vice-President Taketora Ogata and Director-General Tadayoshi Obata.

General Koiso clarified the policy of the Imperial Rule Assistance Movement in the war, especially the sphere of activities of the Imperial Rule Assistance Political Association and the Imperial Rule Assistance Association. He clearly pointed out that although all national activities are to be identified with the Imperial Rule Assistance Movement based on the fundamental principles of the national polity, the political side should be handled by the Imperial Rule Assistance Political Association and the spiritual side by the Imperial Rule Assistance Association. As measures for the Imperial Rule Assistance Spiritual Movement, he stressed two points, the cultivation of faith for sure victory and the stabilization of wartime living, and earnestly urged all the staff members of the Association to do their best in this direction.

The gist of General Koiso's address follows:

"I believe that the aim of the Imperial Rule Assistance Movement is to establish firmly a national structure in which all the Japanese people can serve the State at their respective posts and thus achieve the true way of Imperial subjects. There are two mediums to realize this aim, I believe and one is politically and the other spiritually.

"All the prevailing circumstances considered, I have come to think that the Imperial Rule Assistance Movement, as far as its structure is concerned, should forge ahead as heretofore. What the Imperial Rule Assistance Political Association should do is to forge ahead politically along with the national policies and to uplift the fighting spirit of the populace which will naturally result in the increase of production necessary for winning the war while the Imperial Rule Assistance Association must exert efforts spiritually, in collaboration with various organizations under its jurisdiction. I earnestly hope that these two associations will do their best in these directions.

"The Imperial Rule Assistance Spiritual Movement should, first of all, aim at uplifting the fighting spirit of the nation by cultivating the faith for sure victory among the people. Simultaneously, it is needless to say that living should be assured for the masses and all the people must be so led as to pull through the war with firm determination."

THAILAND ASSURES FULL COOPERATION

Will Fight War Together With Japan, Thai Prime Minister Tells Nippon Scribes

Domei

BANGKOK, August 16.—In the first press interview with Japanese correspondents today since the assumption of his new post, Prime Minister Major Khuang Aphaiwong states that Thailand will cooperate fully with Japan in the prosecution of the war.

"The administrative policy of the new Thai Cabinet," declared the Prime Minister, "has been fully embodied in the six items of the policy expounded in my message to the Assembly of People's Representatives. As stated therein with respect to cooperation with Japan, there will be strict adherence to the terms of treaties and agreements drawn up with Japan. As concrete measure, Thailand is determined to cooperate to the utmost with Japan in the prosecution of the war.

"In order that complete cooperation may be possible, it is essential that first of all economic collaboration be pursued earnestly. On the other hand, we must be prepared for further tightening of private economic life of the people of Thailand with the progress of the war. The Government on its part will do its utmost to stabilize the existence of the people.

"As counter-measures against rise in commodity prices, it is the Government's intention to establish a committee, comprised of the representatives of the Thai Chamber of Commerce and Industry, Chinese Association, Indian Merchants' Association and the Japanese Chamber of Commerce and Industry. Through this committee, it is proposed to effect voluntary control of commodity prices. The Government will give lateral guidance in this connection. Efforts will be made to develop private industrial enterprises and the Government will endeavor to give technical assistance.

"Speaking of the future development of the war situation, since Thailand is allied with Japan the unwavering determination on the part of Japan to win the war naturally represents the sentiments of the people of Thailand. In my opinion there is no path for Thailand to pursue save that of victorious consummation of the war together with Japan."

Communist Newspaper at Yenan Jeers Chungking Regime for Loss of Hengyang

Domei

PEKING, August 16.—The reduction by the Japanese Forces of the vital city of Hengyang is a fatal blow to the Chungking regime militarily and economically, said the Hsinhua Jih Pao, organ of the Yenan Communist regime in its editorial on August 12.

The paper declared that the blow was so severe especially in its economic aspect that the Chungking regime will be driven into desperate plight of unfathomable economic crisis.

Pointing out that Hunan Province side by side with Szechwan constitutes two of the most important supply bases for the Chungking regime in its war against Japan, the journal said that Hunan Province especially played an increasingly important role recently in Chungking's wartime economy.

By way of illustrating Hunan's economic importance, the paper recalled the fact that serious panic was created among the population in China's hinterland areas due to the sudden skyrocketing of prices when previously tobacco manufacturing plants at Hengyang suddenly suspended transport of their products to inland and also when Hunan provincial government authorities banned the transport inland of cotton cloths produced in the province last year.

Further pointing out that the annual output of Hengyang's machine industry was estimated at 100,000,000 yuan, the journal declared that this fact alone is sufficient to indicate the magnitude of the irreparable economic loss that has been caused to the Chungking regime as the result of the fall of Hengyang.

The paper revealed that Chungking authorities attempted to transfer into the interior industrial facilities at Hengyang when the Japanese pressure on the city was rapidly increasing. It added, however, that Chungking's attempt to transfer these valuable plant facilities miserably failed due to the fact that the Hengyang-Kweilin railway had been clogged with exodus of refugees from Hengyang and its vicinity.

As another illustration of Hunan's economic importance, the Communist paper also pointed out that Hunan is known to be the foremost among China's provinces in respect to estimated deposits of antimony and manganese out of China's 13 most important items in mineral resources while the province is also known to be extremely rich in gold, tungsten, tin, iron and coal.

The fall of Hengyang into Japanese hands definitely signified the loss to Chungking of such an economically important province which is bound to create unfathomable economic crisis from which Chungking would hardly be able to recover, the paper asserted.

LEADERS AT YENAN ASSAIL CHUNGKING

Communist Regime Member Avers Danger of Civil War Not Yet Passed

Domei

SHANGHAI, August 17.—While the Chungking-Yenan conference is reportedly in disaccord, the Chinese Communist leaders at Yenan have indirectly attacked Chungking by stressing the crisis of a civil war in China, and the Chungking regime is said to be greatly indignant.

Chungking's indignation was caused by the fact that when Liang Han-tsao, head of the propaganda department of the Chungking Kuomintang, stated at a foreign press interview that the Chungking-Yenan relations had improved since the opening of the conference, Chou En-lai, executive committee member of the Chinese Communist party, retorted by saying that the danger of a Chinese civil war had not passed. It is clear that the Yenan authorities had purposely caused Chou to make such a declaration inasmuch as the Chungking regime is always entertaining optimistic views on the problem of the unification of anti-Japanese resistance fronts in China, which is an obstinate anti-Axis demand, so as to accelerate the strengthening of the Anglo-American assistance to Chungking.

Liang, in a press interview with foreign correspondents yesterday, stated: "Reports on China's conditions, which are in the hands of the Chungking Government, are different from Chou En-lai's statement. Chou En-lai, who made the statement differing from the facts known by the central government, should naturally be held responsible for his utterance."

It is recalled that recently on the occasion of the seventh anniversary of the China Affair, Yenan revealed its demands on Chungking, and it also severely denounced Chungking for the latter's defeat at Hengyang by positively propagating the serious effect caused on the hinterland's economy by the fall of the Chungking stronghold. Furthermore, despite the fact that Chou En-lai rescued Chiang Kai-shek in the Sian affair and has since been the central figure for maintaining contact between Chungking and Yenan as the vice-chief of the political department of the Chungking military committee until very recently, the Yenan authorities have deliberately made him stress the crisis of a Chinese civil war. It is noteworthy that all these incidents are indicative of the fact that the Yenan authorities are assuming an extremely offensive attitude toward Chungking.

CHUNGKING FORCES NOW PESSIMISTIC

General Who Surrendered at Hengyang Reports Plight of Chungking Armies

By D. ODAJIMA
Of the Military Press Corps

HENGYANG, August 15.—Pessimism is growing among the officers and men of the Chungking forces in regard to the future of Chungking's resistance against Japan and now nobody believes in the success of Chiang Kai-shek's long-term resistance campaign, declared Lieutenant-General Fang Hsien-chueh, former commander of the Chungking 10th army who recently surrendered to the Japanese Forces with his men after 40 days of desperate resistance at Hengyang, in a press interview held on August 9.

The interview took place in a class-room of the Jenai Middle School from where could be seen the now tranquil battlefield where, until a couple of days before, the roar of heavy gun-fire reigned.

Asked as to his state of mind after his surrender, Lieutenant-General Fang said:

Relied on U.S. Air Force

"I don't think it proper for a defeated general to talk about war. We continued our resistance, underrating the war power and armament of the Japanese Forces and relying on the collaboration of the American air force in China, but were defeated by the strong spiritual power of the Japanese. I have done my best and now I feel no regret. If I were allowed to do so, I would like to join the peace camp to contribute my bit to the construction of a new China."

When asked what he thought of his life of resistance, the General replied:

"Since my graduation from the Whampoa Military Academy at Canton, I have strived hard until today to fulfil my duty to the nation as a soldier and I have never had any doubt about my philosophy of life. Having realized of late that the eight years of resistance have not served a bit to save the country but have only aggravated the sorry plight of the masses, however, I came to entertain growing doubt as to Chungking's policy of all-out resistance.

"Heretofore, I have purposely kept myself indifferent to the fact that while the poverty-stricken masses are forced to bear the whole brunt of the war, a large majority of the well-to-do class remains utterly indifferent to the destiny of the nation and the well-being of the populace. On the other hand, we have been left ignorant of the true conditions of our country and international situation. On learning that a new China is making sound developments, I feel as if a bright light dawned upon my darkened mind."

Asked by a newspaperman why he had made the decision to surrender, the General declared that the action had been taken in accordance with his own will as the commander of the Fourth Division and that of all other leading officers of the army.

Questioned as to his future plans, Lieutenant-General Fang stated:

"Being none other than a soldier, I find it difficult to express my state of mind properly. I have been moved to tears by the considerate treatment which the Japanese military authorities have accorded me, an enemy General. If I be permitted, I would like to call back my family from its refuge in Kweilin and to contribute my bit to the resurrection of a new China together with my subordinates."

When asked what the officers and men of the Chungking forces think of the future of their resistance campaign, he explained that with the prolongation of the hostilities, growing doubt and worry were spreading among them. Declaring that nobody in the Chungking forces believed in the success of the anti-Japanese resistance any longer, the General said that, however, Chungking soldiers are finding it hard to give up their hopeless fight since they are kept ignorant of the state of affairs prevailing in the areas under the jurisdiction of the Nanking Government, being fed with distorted news all the time.

Praises Japan's Policy

If they realized Japan's ethical policy toward China which has been proved by the return of her concessions and the abolition of her extraterritorial rights in China, Lieutenant-General Fang assured that they would only be too glad to join the peace camp.

Continuing, the General told the press that only after his surrender had he learned of the actual state of affairs in that part of China under the Nanking Government, the attainment of independence by Burma and the Philippines, the establishment of the Provisional Government of Azad Hind and the lofty ideals embodied in the Greater East Asia Joint Declaration.

TATEKAWA SPEAKS ON CORPS' MISSION

Aim Is to Bolster Nation's Resolve to Fulfil Duty, Says Lieutenant-General

Lieutenant-General Yoshitsugu Tatekawa, former Ambassador to Moscow who assumed the post of the head of the Imperial Rule Assistance Manhood Corps, declared on Wednesday that every member of the corps should display loyalty and enthusiasm in discharging his duty so that the general public will be inspired to greater efforts in the prosecution of the war.

The General told Domei at his residence at Komaba, Shibuya-ku, that the Manhood Corps was a spiritual organization which had nothing to do with politics and that its mission was to bolster the people's determination to carry out their respective duties in accordance with the policies set forth by the Government. He explained that just as an army can display the very best of its strength only when the commander, subordinate officers and soldiers fight with perfect unity, so a nation is strongest when the Administration, officials and the public work in total collaboration.

Continuing, Lieutenant-General Tatekawa stated that the Manhood Corps should carry out the functions of company commander, section commander, sergeant and corporal in the army. Its mission, he explained, is to lead the people in following the national policies decided by the Administration. The new head of the Manhood Corps pointed out that in this sense, the organization should not be confused with the Imperial Rule Assistance Political Association in its character.

The General further declared that his assumption of the post did not mean any change whatever in the guiding principles hitherto pursued by the headquarters of the Manhood Corps. In conclusion, he stated that he considered it his greatest mission to guide the prefectural organizations under the Manhood Corps in such a manner that the fiery enthusiasm, fervent loyalty and positive actions of their members will inspire the public to still greater efforts.

Colonel Kingoro Hashimoto, leader of the Sekiseikai, will be appointed Director-General of the Imperial Rule Assistance Manhood Corps succeeding Takaji Fujii who tendered his resignation a few days ago. Incident to Mr. Hashimoto's assumption of his post, the Sekiseikai is expected to be dissolved and its members transferred to the Imperial Rule Assistance Manhood Corps.

Cable Briefs

FACE OF LONDON CHANGING

Britain's proud capital is now undergoing a remarkable "facial" treatment, comment Spanish correspondents in London. Far from rejuvenating the old city, however, the ceaseless V-1 bombardment is changing the face of London so completely that traveling has become most difficult in that city, emphasizes the Arriba. Owing to the heavy damage inflicted by the flying bombs, some of the old streets have been changed beyond recognition. Damage in the southern counties, too, is increasing daily.

STORM WRECKS BRIDGE

A recent wind and electrical storm in Chester, Illinois, destroyed the new million dollar bridge which was completed just two years ago. The bridge apparently crashed and fell into the Mississippi River during the storm. Due to the acute shortage of necessary material, it will take at least a year before the bridge can be reopened to the public.

TRAIN WRECK IN U.S.

A broken rail was blamed by Atlantic coastline officials for the wreck of a speeding passenger train near Stockton, Georgia, recently. Forty-five negro laborers returning home for the weekend were killed, while 38 other persons were injured.

One coach in the train was loaded with wounded soldiers from Normandy who were en route to an army hospital. Some of the soldiers received additional injury due to the derailment.

YANKS' COWARDICE AT HENGYANG BARED

60 Supervisory Officers Flee Before Japanese Onrush Sacrificing Chiang Troops

By a Member of the Military Press Corps

HUNAN FRONT, August 16.—Realizing the inevitability of the fall of Hengyang before the onrush of the Japanese Forces, some 60 American officers and technicians who constituted the supervisory corps retreated from the city, leaving their Chungking comrades-in-arms to bear the brunt of the Japanese attacks, again disclosing the American cowardice of fighting against the Japanese at the sacrifice of Chungking troops.

With the design of making Hengyang the most important advance base for its air force in China, America dispatched some 70 officers and technicians to the city, assigning them to the task of forcing the Chungking troops to continue resistance against the Japanese. Simultaneously, some 200 American technicians were stationed at Hengyang airfield and 150 missionaries in the city who were to conduct propaganda activities among Chungking soldiers.

Gripped with fear by the sudden forestalling operations launched by the Japanese in the Hunan area, the 150 missionaries in Hengyang left the city in utter consternation on June 18, the very day that Changsha was reduced by the Japanese. A few days prior to the fall of Hengyang airfield, the 200 technicians at the airdrome and some ten others in the walled city took to hasty flight.

Some 60 Americans comprising the supervisory corps remained in the city cruelly threatening the Chungking troops to put up futile resistance against the encircling Japanese Forces. However, fully evincing the American brutality and cowardice, those 60 Americans deserted the Chungking garrison forces leaving them to their inevitable doom, when the beleaguered fortress was on the verge of collapse. In this connection it has been further revealed that the American cowards left the city from the north gate, taking advantage of consternation caused by the counter-thrust launched sometime at the beginning of this month by the 79th army.

REPAIR WORK SET FOR GRAND CANAL

Section Between Taierhchwang, Kuochowtu Will Be Ready by End of This Year

Domei

SHANGHAI, August 16.—The initial enterprise of the project for the repairing of the 1,700-kilometer-long Grand Canal was begun yesterday on the 380-kilometer stretch between Taierhchwang in Shantung Province and Kuochowtu on the shore of the Yangtze River. With the completion of the project, the interchange of goods and raw materials between Central and North China, particularly the flow of coal from Shantung Province to Central China, will be greatly facilitated.

Prior to the launching of this great enterprise, the Grand Canal Conservancy Board was set up by the National Government of China and the Board reached a special agreement with the Konan Koshi, a Japanese company, in connection with the actual repair work on the canal.

The initial enterprise calls for the development of a water route between Taierhchwang and Hwaiyin and the increasing of the volume of water in the course between Hwaiyin and Kuochowtu. Water must be directed from the Wen, Sze and Chin rivers in Shantung Province as well as from Lake Huishan to the section of the canal between Taierhchwang and Hwaiyin but, due to the fact that drought has prevailed for several years and because the canal facilities have fallen into state of disrepair, Shushan, Nanyang, Huishan and Tehshan lakes have dried up thus effecting the volume of water in the aforementioned three rivers. Therefore, under these circumstances, the best plan would be to set up locks at several places in the canal between Taierhchwang and Hwaiyin so as to raise the water level. Before the China Affair, locks were constructed at Shaopo, Hwaiyin and Liuchien, but with the outbreak of hostilities the lock at Hwaiyin was wrecked. Therefore, the most imminent task facing the Conservancy Board is that of repairing the crippled lock at Hwaiyin.

The total expenditure needed for the initial enterprise has been set at 103,000,000 yuan and it is estimated that the number of laborers that will be employed for the project, which is scheduled to be completed by the end of this year, will total 260,000.

The water level is very low at present in the section of the Grand Canal between Hwaiyin and Kuochowtu. This condition is due to eight breaks on the left bank of the canal between Hwaiyin and Shaopo Lake, and the outflow of the water in the canal to Kaoyu and Paoyen lakes. From four of the breaks in the northern section, the water from the lakes flow into the canal and at the four breaks further south the water flow is reversed.

Therefore, the basic counter-measures to cope with the situation would be to repair the eight breaks in the canal and completely cut off all connections between the canal and the lakes, thereby assuring the maintenance of a certain fixed water level in the canal.

As it is essential that the repair work be undertaken in the winter when the volume of water is at its minimum, the Conservancy Board is giving due consideration to concrete construction project. The work on this portion of the Grand Canal will be commenced after the completion of the work to open the canal in the central section. At any rate, in view of the vital urgency of the transportation question at present, the advantages derived from the opening of the canal will be immeasurable.

NEW ORGAN TO BOLSTER DEVELOPMENT OF BURMA

Thakin Nu, Chief of Greater Burma Association, Explains Its Object

Domei

RANGOON, August 16.—In order to propel the national development of Burma, the Burmese Government has established the Greater Burma Association which replaces the Dobama Sinyetha and Thakin Nu, Director-General of the Association, yesterday clarified the object and polices of the new association.

"The Greater Burma Association was established on the basis of the Dobama Sinyetha but it has a greater power of execution," he stated. "It attaches special importance to the collaboration of various races. I believe that only when the Government and people unitedly join the movement can the prosperity of Burma and the consummation of the War of Greater East Asia be brought about. We must do our best to strengthen the Association which aims to bring about Burma's prosperity as well as happiness to every Burmese."

"Some people still think the Government and the people in different terms, but it should be borne in mind that these two are co-existent and mutually dependent. The Government is nothing but an expression of the popular sentiment, and herein lies the significance and mission of the establishment of the Greater Burma Association which was borne as an organ of propelling the development of Burma through the mobilization of the entire might of the Government and people."

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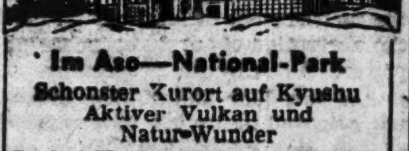

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TOKYO, FRIDAY, AUGUST 18, 1944

The Landings in Southern France

The landing of Anglo-American forces in southern France, so far away from the main center of German strength, constitutes an admission of the unsatisfactory progress of the Anglo-American campaign in northern France. For if the invasion in the north had been developing to the full satisfaction of the enemy, there would have been no need for him to attempt another landing in the remote south.

The northern theater of operations holds the key to the attack on Germany's vital centers. From the northern coast and the Channel ports, the way lies over open level country to Paris and beyond to the very borders of Germany. If the enemy had envisaged a quick assault upon Germany leading to speedy results, he would have concentrated upon this area.

In contrast, the southeastern coastal region of the Riviera where the enemy has made his latest landings is in a remote corner of the country entirely isolated by the Maritime Alps. No access exists to the heart of the counrty from the south except by way of the Rhone Valley, but a hundred miles of difficult terrain interpose between this possible highroad of invasion and the enemy's beachheads. Even if the enemy should eventually gain access to the Rhone, a push of several hundred miles northward to get around the jutting protrusion of neutral Switzerland awaits him before he can swing eastward to strike at Germany, but then still another barrier awaits him in the form of the formidable Vosges Mountains before he can reach his goal. Obviously, then, this is not the route for a direct attack on Germany's center of strength.

Why then has the enemy undertaken a southern campaign which can lead to no speedy results? The reason can only be that he has despaired of a quick decision. His campaign in northern France was based on the assumption of a quick expansion of his bridgeheads, a rapid thrust to Paris, and then a triumphant march across the frontier into Germany. But for two months the Germans held the enemy confined in a small cul-de-sac in Normandy, and although the enemy broke out early this month to send his tentacles into Brittany and into the Le Mans area, within a few days he has again been stalled in his tracks by the German defense. The enemy's dream of a rapid march to victory in the north has gone a-glimmering.

Recognizing that a quick decision in northern France is impossible, the enemy has apparently had to reconcile himself to a long, hard, and costly war of attrition spread out over a wide area. The landing in southern France is an admission that the enemy has had to give up his hopes for a speedy end of the war. It presages a long drawn-out campaign which will be costly in lives and treasure, entailing an endurance and sacrifice which the enemy public is little prepared psychologically and spiritually to endure.

Tactically the enemy landings in southern France may have scored a local success, but from the point of view of long-range grand strategy they are a sign that the enemy's pet plan on which he had pinned his fondest hopes has gone awry.

The British Desire for Settlement

Indians of even moderate views, it is reported, are becoming more and more convinced that the British authorities do not desire any settlement of the Indian problem now. This does not apply to many of the members of Parliament who obviously are much concerned over the unrest in India, but it does apply to Viceroy Viscount Archibald Wavell, to Secretary of State for India Leopold S. Amery, and particularly to Prime Minister Winston Churchill. In other words, no matter how much moderate men of good will, both Indian and English, are desirous of arriving at some understanding, the responsible authorities who alone possess the power to take any action apparently for reasons of their own do not welcome any settlement.

This suspicion as to the lack of good faith on the part of the British authorities arises from their attitude toward Mahatma Gandhi's present endeavor for a compromise settlement. If the authorities had desired a settlement of the Indian problem in their exclusive favor without regard to the Indian point of view, they should have kept Gandhi in prison. If they desire a settlement which takes into some consideration the Indian point of view, they should at least listen to what Gandhi is now proposing. But they released Gandhi from prison and yet refuse to listen to his proposals, thus precluding all chances of settling the Indian issue on any basis whatever.

The tactics of the British authorities indicate that they are playing for time, delaying the handling of the issue as much as possible. There was first the publication of the Gandhi-Wavell correspondence which, by emphasizing the differences between the two, provided a pretext for prolonging the deadlock. Then when Gandhi asked for an interview in an attempt to resolve the differences, Wavell rejected the request in order still further to prolong the deadlock. When Gandhi, notwithstanding the rebuff, formulated a plan for settling the Indian problem which was more conciliatory and which showed more willingness to compromise than any he had ever proposed before, Amery peremptorily tried to dismiss it as not forming even "a starting point for profitable discussion". Even Gandhi, while still persisting in his efforts, has been led to remark that "Churchill does not want a settlement", realizing that the Prime Minister is the bete noir behind Wavell and Amery. There seems to be no escape from this conclusion.

The reason why the British desire to avoid a settlement is clear. If they impose a settlement in their own favor, they will be confronted by widespread and implacable Indian opposition. If they agree to a settlement on the basis of Gandhi's compromise plan, they will have to give up a part, even though a small part, of their present power. But by avoiding any settlement, by keeping the situation in suspense, they hope to hold the Indian opposition in abeyance while still retaining all of their power. Indefinite delay, indefinite postponement, is the means by which they hope to keep all the advantages without suffering from any of the costs.

So unjustifiable is the position of the British authorities that even some members of British Parliament are clamoring for a more forthright clarification of the government policy. And although the United States Government maintains an embarrassed silence in deference to its British ally, American public opinion is vociferous in its criticism of the British attitude which so compromises the idealistic pretensions of the so-called "Democracies". The circular letter of 110 prominent Americans to Lord Halifax on August 7, declaring that the British policy in India "is an ever-present challenge to our professed war aims and denial of those broad principles of human rights", is only one example.

It must become apparent to even the most moderate Indians that they can gain nothing by persisting in working for a compromise, which, by affording a pretext for endless discussion, would only fall in with the British desire for delay. The Indians must either capitulate completely to the British, which is unthinkable; or else break out in immediate open opposition. The active fighters for complete independence like Subhas Chandra Bose hold the only possible thoroughly logical position.

WHEN THE AMERICANS ARRIVE

Famine and Economic Chaos Follow in Wake of Invaders

(From Voice of New China)

There will always be people who refuse to learn. Among them number those Europeans in this or that neutral country or in the German occupied territories who yearn for the Anglo-American invasion because they are of the belief that in particular the Americans will bring unlimited material prosperity to them. No one will deny that the United States is a rich country. However, just as little can it be denied that the limitations in the way of a transfer of American wealth to the European continent are extremely narrow and hardly extensible. One only need recall the considerable increase of demand in the United States itself, the continuously rising demands of the anti-Axis nations, the tonnage question and other reasons. Moreover, it has already become evident how much the possibilities of the United States are limited. The following examples prove this beyond doubt.

Iran was among the first countries in the Mediterranean sphere where together with the Anglo-American invasion hunger made its entry. In February this year the Economist as regards Iranian food supplies saw itself compelled to admit that it was an established fact that Iran had suffered great harm from Anglo-American occupation. The root of all evil was the shortage of means of transportation. The sole responsibility for this rested with the Anglo-Americans.

However, it is not only the lack of shipping space that the Anglo-Americans are responsible for, but also the lack of foodstuffs in Iran, Iraq, Syria, Palestine, Egypt and French North Africa, as their forces stationed there descended like a swarm of locusts on these countries and "ate them bare" in the truest meaning of the word, instead of bringing food to the peoples that they have taken "under their protection."

Feed on Locusts

The Moroccan paper Eclaireur Marocain, for instance, recently pointed out that the population of southern Morocco just as in the days of old had to feed on locusts, since all available foodstuffs in the country had been confiscated by the occupational forces. And the English Daily Mail admits that in Algeria owing to the small food rations numerous children, native as well as French, were suffering from malnutrition. This state of affairs is all the more typical and emphasizes the full extent of North Africa's exploitation by the Anglo-Americans all the more drastically since prior to the war one-third of Moroccan exports, which on an average amounted to 700,000,000 to 1,000,000,000 francs, were taken up by foodstuffs, that is wheat, barley, maize, beans, vegetables, eggs, sheep and fish. Even during the war Morocco was sitll able to supply France with considerable quantities of foodstuffs.

What tremendous distress prevails, for instance, in Sicily is proved by the report of a British soldier stationed in Sicily, which the London periodical New Statesman and Nation printed in February 1944. In this report it is said: "Political and economic chaos prevails in Italy since the AMGOT seized the reins there. The Anglo-Americans did not succeed in any way in safeguarding food supplies. Famine prevails everywhere, and the black market flourishes. A kilogram of flour costs now 60 to 70 Italian lira. A terrible malnutrition of the population is the rule. Hunger demonstrations took place in Messina and other towns. The most cruel proof of our failure in planning and in fighting the food shortage is the terrifying growth of chance-prostitution on the part of women whose husbands are serving with the Badoglio forces."

The London Financial News likewise observes that the present economic situation in Southern Italy did not constitute an example for a farsighted policy of reconstruction. It could not be denied that the new fixation of the lira exchange rate had resulted in a strong increase of prices, in the hoarding of agricultural products and in the danger of famine.

On the strength of these facts alone there should be no longer anybody in continental Europe who in case the Americans should come promises himself the beginning of a period in which even the present food rations will be maintained. Even if Anglo-American propaganda continues to operate in the countries that have been singled out for the invasion with the assertion that foodstuffs and goods of everyday use would be brought along for the "starving Europeans," there are other warnings, which must be taken really seriously, against all too big hopes on the part of the Continental Europeans to contradict this. Already on January 12, 1944, the London Financial Times wrote: "Today there is nowhere in the world an abundance of vitally important goods. The idea that the Anglo-Americans would come in order to shower the wealth of their cornucopiae on the devastated countries is certainly not justified." Voices of the same tenor can be heard to an increasing degree also from the United States. The well-known Saturday Evening Post wrote about the same time that the United States itself was facing the danger of a serious food shortage: "A great shortage prevails in many cities and States of meat, butter, milk, potatoes, onions and poultry. The wheat harvest of 1943 was at least 20 per cent below normal. The grain reserves which in normal times always kept at the same level, had already in October 1943 been seriously diminished." After explaining the reasons for this development the Post asks: "How can we, with conditions of this kind in our own country, presume to safeguard the feeding of the nations?"

Hardly more water could be poured by the Anglo-Americans into the wine of those Europeans who refuse to learn. Should the Americans come and succeed in gaining a firm foothold, not milk and honey would be flowing, but in the territories that they might perhaps occupy a famine would arise which in no way would be second to the catastrophical food conditions presently prevailing in Southern Italy.

Mengchiang's Finance

Central Bank Plays Important Role in Paving Way for Nation's Industrial Development

By SHIGEYOSHI SHIGA

In order to speak of the financial situation in Mengchiang it is first of all necessary to start with the operations for the unification of currency, which was an extremely important prerequisite in building the foundation for the present economy. In Mengchiang, economic construction started from the currency phase. The fact that planned management is conducted satisfactorily today in Mengchiang as a link in the Greater East Asia common prosperity region is due to the fact that Mengchiang was able to stand on a stable economic basis as a result of difficult currency unification operations in the past.

The unification of currency in Mengchiang began in September, 1937, with the establishment of the Chanan Bank (Southern Chahar Bank). At that time the currencies which circulated in Mengchiang were numerous and the situation chaotic.

Currency circulating in Mengchiang at the time of the outbreak of the China Affair is estimated at from about ¥20,000,000 to ¥25,000,000. In view of the price level and economic scale in Mengchiang at the time, this amount was not a small one. It is not difficult to imagine that this chaotic currency situation made economic activity in the country extremely unstable.

Therefore, the first step decided upon when the Japanese Forces entered Kalgan in August, 1937, was the withdrawal of these old currencies from circulation and the supplying of a legal, unified currency. In order to do this the Chanan Bank was established in September of the same year, under the Southern Chahar Autonomous Government, which was charged with the issuance of notes and the withdrawal of the old currencies. The administrative district of the Southern Chahar Autonomous Government, however, was greatly limited compared to the whole of the Mengchiang area. And in Mengchiang at the time there existed three regimes; the other two being the Chinpei Autonomous Government and the Federated Autonomous Government of Mongolia. Each had autonomy in its region and because of this the unification of currency throughout the whole of Mengchiang was still far from reality.

Committee Formed

But in November of the same year the Mengchiang Joint Committee was organized with the objective of uniting and strengthening these three autonomous governments. The regimes transferred a part of their functions to the committee in order to unify the control of industry, finance, transportation and other important matters in which the three governments were commonly interested in. With this was completed the political foundation for the unification of currency throughout the whole of Mengchiang. Simultaneously with the establishment of the committee, regulations for the Mengchiang Bank were laid down, which became the central bank of the country. The Mengchiang Joint Committee, it is well known, played the part of bringing to birth the Autonomous Government of Mongolia when it was organized in September 1, 1939.

The newly founded Bank started the issuance of currency on March 20, 1938, with one yen notes. On April 15 it began issuing five and 100 yen notes and on May 25, with the issuing of 10 yen notes it started operations for the withdrawal from circulation of the old currency. With this was realized for the first time the unification of currency throughout the whole of Mengchiang.

The currency system in Mengchiang is stipulated by the Emergency Currency Order of September, 1937 and the regulations for the Mengchiang Bank. The notes issued by the bank are unlimited legal tender. They are inconvertible, though backed by a reserve fund. It is linked at par with the Japanese yen and the Manchoukuo currency, and also with the notes of North China.

The Mengchiang Bank is a special corporation, which was organized in virtue of the Mengchiang Bank Organization Law, with a capital of ¥12,000,000 and ¥3,000,000 paid up. All of the capital is supplied by the Mengchiang Government. Its stipulated operations are: (1) the guidance and control of finance; (2) the issuing of currency; (3) treasury business; (4) exchange, and (5) other general banking operations.

Thus the unification of the Mengchiang currency system and the establishment of the central bank was accomplished from the latter part of 1937 to the beginning of 1938. The next natural step was the adjustment of general financial organs. There was a need to settle the chaos which had occurred in Mengchiang economy with the outbreak of the China Affair and bring about the recovery and stability of life by reviving the commerce and industry that had stopped. Therefore, the Government in February, 1938 gathered the representatives of the native banks in a conference. As a result, these native banks were united into three commercial banks according to areas.

Banks Merged

These commercial banks each had a capital of ¥1,000,000, of which ¥500,000 was to be supplied by the Mengchiang bank. These banks were to operate as financial organs for small scale commerce and industry and agriculture. The three banks were later merged and the present Tung-ho Commercial Bank, with a capital of ¥5,000,000, was established in May, 1942.

In addition to the banks are the Hsing-Ya-Tang Bank with a capital of ¥600,000, an institution born through the merger of eight Chinese banks in Kalgan in May, 1943 and the Kalgan credit cooperative, which was established as a mutual credit organ for the small Japanese commercial and industrial enterprises in Kalgan. The Yokohama Specie Bank and the Manchoukuo Central Bank also have branches, and are operating in handling foreign credit and exchange.

With the adjustment of its financial organs Mengchiang started a full-scale industrial development. For this the first three-year industrial development plan was started. The financial policy in the meantime progressed in the following manner:

The industrial development plan which was started in 1939 had as its aim the rapid change of Mengchiang economy, which had regarded agriculture as its basic industry, into a heavy industrial one. Through the acquisition of funds and the vast increase in importation of construction materials and daily necessities which became necessary for the development of underground resources and the establishment of enterprises, its international account balanced unfavorably, resulting in the stringency of exchange funds.

During the early period of its issuance the Mengchiang Bank notes could not be converted into foreign currency. Previously, the exportation of commodities to third countries was placed in the hands of foreign firms in Tientsin and foreign money was deposited in the foreign banks of the same place. As this endangered Mengchiang's foreign trade, the exportation of important domestic products such as furs and hides was placed on a permit system in 1937, with the aim of gathering exchange to the Mengchiang Bank. The convertibility of the Mengchiang Bank notes into foreign currency was gained thus for the first time. Because the possibility of a freezing of funds by the United States and Britain increased since the beginning of 1941, the American funds possessed by Mengchiang were ceded to Japan and its equal in yen deposited in the Yokohama Specie Bank. This was the special yen of Mengchiang.

Manchoukuo Loan

As a counter-measure against the stringency of exchange funds which resulted from the unfavorable balance of international trade the Mengchiang Bank succeeded in getting a ¥10,000,000 credit loan from the Manchoukuo Central Bank in July, 1939. In the field of trade, the supervision of exchange and control of imports were made more strict and greater efforts directed toward the propelling of exports. In the field of finance, measures were taken for the control of funds, the nourishment of local capital and the absorption of surplus purchasing power. Aided by the progress made in the fur, hide and similar industries as well as by the development of iron, coal and other mining enterprises, the situation turned favorable and exchange funds grew gradually abundant. The situation continues to be favorable with the increase of iron ore exports to Manchoukuo and of foodstuffs to North China. The development during this period is shown in the following chart.

(In 1,000 yen)

	Exports	Imports	Difference
1938	108,393	67,533	+40,859
1939	97,056	133,880	−36,824
1940	123,647	148,033	−24,386
1941	183,770	168,835	+14,935
1942	220,708	191,429	+29,279

As a result the loan was repaid to the Manchoukuo Central Bank during 1942 and 1943. A favorable balance continues in Mengchiang's trade with Manchoukuo. There was, however, a considerable difference in prices between Manchoukuo and Mengchiang and since there was a need to effect an adjustment to counter the great increase in the flow of Mengchiang goods to Manchoukuo, credit was extended to the Manchoukuo Central Bank by the Mengchiang Bank in March, last year, limited to ¥6,000,000. The limit was lifted to ¥9,000,000 in February, this year. The progress of Mengchiang's economy has recently been particularly remarkable and the ¥100,000,000 credit granted by the Bank of Japan in May last year can be taken as having made Mengchiang credit still more solid.

Mengchiang thus is establishing a remarkable record in the field of international trade but since it originally was an agricultural country there is not much local capital—its financial organs are small scaled—and in the effecting of the abovementioned industrial development plans it is depending on Japan for the greater part of the capital. With the progress of the War of Greater East Asia Mengchiang's heavy industries will be further developed. And the problem of nourishing Mengchiang's capital now becomes an important problem. At the same time counter-measures are necessary to prevent a rise in prices and a bloating of the budget, caused by the neighboring high price zones such as North China and the rapid transfer from an agricultural economy to a heavy industrial one.

In any case, it can be said that the control of finance, prices and other factors can be done with comparative ease because, contrary to North and Central China, it is blessed with abundant foodstuffs and because its speculative capital is small, or rather because there is no great amount of local capital.

CENTRAL CHINA IDEAL PLACE TO BUILD SHIPS

Noteworthy Progress Also Made In Steel Industry

(By A SPECIAL CONTRIBUTOR)

Central China has achieved noteworthy progress in the shipbuilding and steel industries in line with the construction program of the National Government. The entire region is ideally located for the development of both these industries. The Yangtze River offers splendid sites for shipbuilding with convenient facilities for shipment of materials and being within easy access of iron, coal and other mineral supplies. Moreover, Central China is rich in manpower resources.

For achieving rapid increase in shipbuilding, especially of the wooden ships, the builders have been divided into two specialized classes, one to manufacture the engines and other internal machinery and the second to build hulls exclusively. Engaged in the first category of work are the three companies of Mitsubishi, Mitsui and Kishiro while in the other are Japan Machinery, Continental Heavy Industries, Kiangnan Engineering, Shanghai Industrial, Central Shipbuilding and other concerns.

With the launching of the first standard type wooden vessel at the Kiangnan Dockyard/in spring of this year, the shipbuilding capacity is believed to have hit its stride. As a further means of increasing efficiency, experts were sent out since the middle of February to speed up the work of fitting out the ships after launching. Supervision on the spot has brought excellent results.

Moreover, the repairing and refitting of old ships have recently been speeded up and new plans are being considered for further advancement of shipbuilding efficiency and to effect technical improvements. For instance, the setting up of three training centers for electric welders with Japanese assistance, from which the welders could be sent to small shipbuilding yards with inadequate facilities is being considered. This is expected to greatly increase shipbuilding efficiency at all yards in Central China.

The increase of production of iron ore in the Nittetsu Tayeh Mining district is noteworthy, and further, the company has, ignoring profits, and from a national point of view, built a number of small special blast furnaces to be used near the mines for smelting very low grade iron ore. Experiments having proved remarkably successful, more of these furnaces are to be built this year for increased production.

In the field of machine manufacturing, the Machinery Control Association has, besides mobilizing all machinery in stock, decided on many measures for the manufacture of such machinery as can be turned out in the districts. There is every indication that the manufacture will be carried out as scheduled.

British Diplomacy in Quandary

Britain's Prestige Suffers as International Financing And Supremacy of Shipping Passes to U.S.

By TOMOWO MIKAWA

Part III

Needless to say, the fundamental policy of the British Government is the maintenance of the integrity of the British homeland and of the British Empire. In order to protect the safety of the homeland it has been Britain's traditional policy to maintain friendly relationship with the countries on the Channel coast of the European Continent such as Belgium, Holland and France, and to maintain a balance of power in Europe. According to this traditional policy Britain declared war on Germany on September 3, 1939, and not for the pledge she had given in the form of a mutual assistance pact to Poland. Therefore, when the Soviet Union invaded eastern Poland, Britain did not go to war with the Soviets.

At the time of the British declaration of war on Germany, Britain's strategy was to let the French army hold the Maginot Line, and, with the object of destroying the war economy of Germany, to make use of the French and British imperial resources to blockade Germany, and, at the same time, to keep the Germans and the Soviets estranged and to win the assistance of the United States. But Britain underestimated the strength of Germany and the German forces were soon overrunning Belgium, Holland and France, resulting in the fundamental failure of British military strategy.

Later on, the British obtained the support of the Soviets and the United States to fight Germany. Britain needed the help of the Soviet Union to realize her object of destroying the German army. However, the fact that Britain was not able to form a Second Front earlier; the fact that she had to rely on the United States for practically all military aid; the fact that she cannot bring Germany to her knees single handed—all these are tragic testimony to British difficulties.

However, Britain's greatest difficulties are yet to come. They will arise from her relations with the United States—from the overwhelming productive capacity of the United States over that of Britain.

Although after the end of the first World War it appeared as though the financial hegemony of the world had passed into American hands, the British, through their 300-odd years of experience, their supremacy in maritime affairs and their worldwide investments, were able to retrieve their control over international finance. But today Britain's supremacy over maritime affairs has been superseded by the United States; moreover, Britain is today a debtor country, her investments overseas having disappeared. The only advantage she has over the United States is her experience. It is very doubtful now if the British will ever win back their control over international finance.

Surpassed by U.S. Shipping

At the outbreak of the war Britain had 17,890,000 tons of merchant shipping, while the British Empire as a whole had 21,000,000 tons, far more tonnage than the United States which had only 8,900,000 tons. But by April of this year against Britain's total tonnage of less than 4,500,000 tons built since the war, the United States had constructed 22,000,000 tons. Deducting the losses suffered in the attacks by German submarines, the British total tonnage today—counting the captured ships, chartered ships and even the vessels of the exiled governments—is less than 15,000,000 tons, while the United States alone has something like 25,000,000 tons. Clearly the preponderance is in the hands of the United States. The British will find it very difficult to win back their former supremacy in merchant shipping.

British overseas investments at the outbreak of the war, including direct investments, totalled £5,000,000,000. In 1939 Britain used up £500,000,000 from this total; in 1940, £756,000,000; in 1941, £797,000,000; in 1942, £632,000,000, and in 1943, £650,000,000, or a total to this day of £3,335,000,000. Other than these she has lost £500,000,000 in securities to the Axis countries, besides which her losses in direct investments must amount to £300,000,000. As a result, Britain's overseas investments total no more than £850,000,000. On the other hand, according to the report of the News Chronicle on August 10, 1943, Britain had borrowed £150,000,000 from Canada, £120,000,000 from Eire, £17,000,000 from the Union of South Africa, £500,000,000 from India and £70,000,000 from Egypt. Adding to the above her loans from Australia and New Zealand, Britain's debt is now £1,234,580,000. Other than these she has debts owing to the Latin American countries. Britain's borrowings under the United States Lend-Lease system amounted in January of this year to £1,649,000,000 while the amount under the reverse Lend-Lease system totaled £381,500,000, leaving a net total of £1,268,000,000. Here is clearly indicated the downward spin of Britain as a debtor country.

The fall of Britain to the position of a debtor nation cannot but result in the loss of her prestige. That is obvious from the attitude of the British Dominions toward their mother country. Although Britain, in order to solve the difficulties which will face her in the post-war era, is trying to strengthen her ties with the Dominions, as revealed in the speeches made by Lord Halifax at Toronto on January 24 this year and by Clement Atlee in the House of Commons on January 27, Canada's Prime Minister, William MacKenzie King, in responding to Halifax's speech, stated that Canada desires cooperation only with peace-loving countries whether or not they are members of the British Commonwealth, thus making it clear that Canada will put emphasis on cooperating with the United States. At the Premiers' Conference in London this May he stuck to his policy and did not agree to Britain's proposal to form an Empire Cabinet in London. The loan which Canada has made to Britain is not large. At first she made a considerable monetary contribution to her mother country, £150,000,000 loan in 1942, and later gave material aid under the Lend-Lease system. This has increased the voice of Canada in her relations with Britain.

The reason the Union of South Africa's loan is small is that the former is using the money to buy up British investments, with the result that the Union of South Africa is treading the path toward economic independence. Thus, on March 18 of this year, Prime Minister Jan C. Smuts demanded that in return for assistance the Union of South Africa be permitted to absorb the British colonies in and around the Union and, while praising the British Empire system, opposed the plan for the federation of the British Empire.

Intensification of Difficulties

No doubt in the future the difficulties in the path of Britain will become more intense and excruciating. At the outset of the war the British strategy comprised a war of attrition, but present difficulties have made Britain anxious to bring the war to an early end.

The main problem of the British, therefore, is how to win the war as early as possible. That is the reason why she has been forced to start a Second Front, and, in conjunction with it, to violate even the principles of international law such as limitation of diplomats' freedom and stoppage of the use of diplomatic codes. Britain's future design, then, when and if she ever wins the war as she wishes, will be to endeavor to rehabilitate friendly countries such as Belgium, Holland and northern France, and to establish a system of balance of power for the maintenance of her own security, and after these are accomplished, to confront the Soviet Union, with armed forces, if necessary. At the present time it would seem that the most conspicuous difficulties are facing Britain as regards the Soviet Union, but Britain seems not to regard them as being of a tremendously serious character. This is clear from her attitude toward the Polish and Yugoslavian questions, Britain still maintaining her policy of deferring their settlement until after the war; apparently from the hope that the war will weaken the Soviet Union so that Britain can have everything her own way.

However, in regard to the United States, Britain does not seem to feel that the settlement of difficulties with that country will be as easy as in the case of the Soviet Union. That is because, whatever happens, she cannot go to war with the United States. In order to counteract the power of the United States, Britain has to strengthen her imperial ties as well as adjust her relations with regions in Europe and Western Asia, and she plans, with this strength behind her, to confront the United States by skillfully working on the American people's sense of justice, humanitarianism, sympathies, international law and international trust; and at the same time to take advantage of the Americans' lack of experience in European affairs and bring about the isolation of the United States from those affairs. With the object of bringing about mutual restraint of the Soviet Union and the United States, Britain may agree to the establishment of an Anglo-American-Soviet Committee or to an organization similar to the League of Nations. In the meanwhile Britain wishes to try to recuperate from the exhaustion of war in order to stand up to the United States as well as to the Soviet Union. The United States, on the other hand, is on guard against Britain who she knows is much weakened. However, she is confident concerning any competition in the future with Britain.

The Soviets too, well aware of Britain's design, are carrying on the prosecution of their own plans whenever and wherever it is possible, completely disregarding Britain's interests. Here lies the main future diplomatic difficulty for Britain.

(End)